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ITEM 6

"PASSIVE" SMOKING

There is increasing publicity being given to the alleged danger to non-smokers by being exposed to cigarette smoke.

The number of papers referring to "passive" smoking is increasing and includes:

- . The Japanese (Hirayama) and Greek (Trichopoulos) studies.
- . The Louisiana study by Correa et al.
- . The Royal College of Physicians' Report, 'Health or Smoking', November 1983.
- . The World Health Organisation report 'Indoor air pollutants; exposure and health effects' (1983).
- . The European Journal of Respiratory Diseases supplement (1984) 'ETS - Environmental Tobacco Smoke'.
- . The Uppsala (Sweden) study by Hillerdal et al.
- . The U.S. Amish study by Miller.
- . The German study by Knoth et al.
- . Kauffman et al. report on their study in France on adult "passive" smoking in the home.
- . Among children, four studies report that "passive" smoking exposure, specifically parental smoking, is associated with various respiratory symptoms and/or lung capacity measurements - Ekwo et al., Jager et al., Schenk et al. and Burchfiel et al.

The recent workers' compensation decision in Sweden, classifying "passive" smoking as a work-related disease, is being exploited by anti-smoking groups.

The availability of the Rylander papers (E.T.S. review) has strengthened the available material for refuting the accusations.

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The use of the film "Beyond Reasonable Doubt" will be increased.

A project committee to review the position on "passive" smoking has been set up to report to the Advisory Group.

Its objectives are:

To make an assessment of the present situation in the public/"passive" smoking field, involving a two-tier approach, i.e.:

- (a) Review the scientific arena to assess existing and potentially vulnerable areas for industry and examine whether industry-initiated research and literature meets prospective industry needs;
- (b) Review the political/regional situation in terms of existing and foreseeable pressures on smokers and industry and examine whether existing material and argumentation will suffice to face the situation.

In the light of the above, to make recommendations to the Advisory Group on what, if any, further research or other activity is needed and whether it would be useful or not to go ahead with this. INFOTAB would merely play an initiating and co-ordinating role. If positive proposals were tabled, these would include a preliminary budgetary estimate.

Professors Littlechild and Wiseman have had a paper published discussing the rights of government to regulate public smoking. The paper concludes that legislation is unjustified. A copy of the booklet is included in the binder.

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ITEM 7

MARKETING FREEDOMS

The industry has strengthened its position with influential allies in the advertising and media industry.

Active support is available from the international associations - I.A.A. and I.U.A.A. and at national level, the E.A.T. in Europe and chapters of the Advertising Agency associations in most countries.

Manufacturers in West Africa are close to reaching an agreement on a voluntary code. This code will not be published, but will be used as a guide by manufacturers.

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ITEM 8

SOCIAL COSTS/VALUES

Project leader: Richard J. Marcotullio

The project team report that the material for the publication "Smoking and Society" is nearing completion, with an anticipated publication date of mid-1985.

The Tobacco Institute of the U.S.A. has agreed to contribute \$70,000 towards the cost of the project.

An outline of the contents follows.

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2/16/84 Revision

SMOKING AND SOCIETY
Edited by
Robert D. Tollison

I. Introduction

1. Smoking: The Need for a Balanced Assessment
(Tollison)

The popular view today is that smoking has been proven to be harmful to health, that government ought to take the lead in discouraging smoking by developing an anti-smoking campaign, and that the measures taken so far are a response to public opinion supporting this view. Furthermore, it is widely believed that smoking is but one of several harmful products to which a similar argument applies.

The basic point of this volume is to demonstrate that this is simply not the state of the art with respect to smoking. No matter how one approaches the issue, whether as a scientific matter about smoking and health, as an economic debate about the costs and benefits of smoking, as a sociological or cultural phenomenon, as a political or public policy analysis, or as a philosophical problem about, for example, personal freedom, there is a serious and useful scholarly case to be made that the conventional wisdom about smoking is either wrong, unproven, built upon faulty analysis, or pushed well beyond the point of commonsense. Area by area, issue by issue, this volume seeks to bring this basic point home to the reader.

II. Smoking and the Individual

2. Smoking and Health (Eysenck)

This chapter will examine the two major theories regarding the relationship between cigarette smoking and disease, in particular lung cancer and coronary heart disease. The causal theory asserts that cigarette smoking is in part responsible for these diseases, thus going beyond reports of a statistical relationship between smoking and disease. An alternate theory suggests that the reported correlations can be explained in terms of common genetic factors, underlying both the propensity to smoke, and the probability of developing certain diseases.

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3. The Determinants of Smoking Behavior (Spielberger)

It is frequently alleged that advertising is the main determinant of smoking patterns. This section reviews (i) recent studies which have indicated that peer pressure is the main factor in the initiation of the smoking habit and (ii) evidence that genetic factors are related to decisions to continue to smoke or to quit and to decisions concerning the extent of smoking.

III. Smoking and Society

4. The "Passive" Smoking Issue (Aviado)

This chapter deals with health claims concerning tobacco smoke in the atmosphere. The historical background regarding such claims will be reviewed, noting that these allegations are often used to foster public smoking restrictions and to attempt to make smoking socially unacceptable. Particular attention is devoted to claims concerning adverse effects on non-smokers' respiratory and circulatory systems, as well as the psychological and emotional underpinning of the atmospheric tobacco smoke issue.

5. The Social Role of Smoking (Feinhandler)

Smoking frequently takes place in a social context, and has acquired certain social functions (e.g. indicating acceptance or rejection by members of a group). Conventions have also developed concerning the appropriateness of smoking in different contexts. Smoking is thus a more complex phenomenon than is at first apparent: it is not a purely random activity nor is it without social value, and it generates benefits for smokers quite apart from the pleasures of smoking per se.

6. Smoking, Human Rights and Civil Liberties (Den Uyl)

This paper discusses the criteria that might be used for evaluating the rights of smokers and non-smokers in various contexts. The general point of the paper is that the habit of calling upon the state to relieve any inconvenience is more dangerous than current presumptions about the habit of smoking itself. To ask public authorities to take responsibility for what can and should be the responsibility of individuals is always a threat to

liberty. Thus, although the scientific and economic aspects of the smoking controversy may dominate public discussion, deeper issues of political and social philosophy may lie beneath those more visible disputes. And in the end, the deeper issues may be more significant for public policy than the scientific and economic assertions will ever be.

7. Sociological View of the Anti-Smoking Phenomenon (Berger)

This chapter examines the anti-smoking movement from a sociological viewpoint, focusing on the Fifth World Conference on Smoking and Health held in Canada in July 1983. The analysis will cover the institutional interests which comprise the movement, its cognitive assumptions, its ideological interests and themes, and its strategies.

IV. Smoking and the Economy

8. The Economic Contribution of the Tobacco Industry to the Aggregate Economy (Walter/Gray)

This chapter will discuss and quantify the economic contribution which the tobacco industry makes to several countries in different parts of the world.

9. Smoking, Market Failure, and Cost-Benefit Analysis (Littlechild)

The anti-smoking pressure group differs from other pressure groups only in the intensity of its campaign. It reflects a general human propensity to attempt to regulate the activities of other people. Nowadays, there is increasing awareness that regulation typically benefits products rather than consumers. In consequence, regulators are generally on the retreat. However, the move towards deregulation has not yet encompassed those areas, such as smoking, where the product is alleged to have deleterious effects on consumers themselves or on persons associated with consumers.

The purpose of this paper is to explore the reasons for continued government regulation in these areas, and to investigate whether these reasons are good ones. More specifically, we consider the various arguments put forward by the anti-smoking interests, and assess whether these are valid grounds for further government regulation of the use of tobacco.

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10. The Incidence of Taxes on Smoking
(Savarese/Shughart)

Smoking is a heavily taxed activity. In general, the burden of the tax is shared by consumers (in the form of higher prices), producers of tobacco products (in the form of reduced profits) and tobacco farmers (in the form of lower rents). This section contains an evaluation of tax equity, including a consideration of how the burden is distributed among these three groups. The analysis utilizes U.S. data as well as data from several other countries around the world. The paper presents evidence that taxes on smoking are regressive, i.e., that excise taxes on cigarettes fall more heavily on low-income consumers.

11. Advertising in a Free Economy, Polity and Society
(Boddewyn)

This section analyzes the role of tobacco advertising: what it accomplishes, what it cannot accomplish, and its benefits. The chapter also considers the appropriate role of government with respect to advertising of tobacco products, including a discussion of the legal basis for advertising in various jurisdictions. Finally, this section considers the dangers to a free society presented by single issue pressure groups, including anti-tobacco groups.

V. Conclusion

12. Concluding Essay to be written by Tollison or by a well known commentator on public policy.

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Smoking and Society

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ITEM 9

CHAIRING COMPANY HANDOVER

The present chairing company, Imperial Tobacco Ltd., will hand over chairmanship of the Board of Directors to R.J. Reynolds Tobacco Company. R.J. Reynolds will fulfill this function until April 1, 1985, with Mr. E.A. Horrigan, Jr. serving as Chairman of the Board of Directors.

The rotation system provides for future chairmanship as follows:

| | |
|------|---------------|
| 1985 | B.A.T. |
| 1986 | Philip Morris |
| 1987 | Reemtsma |
| 1988 | Rothmans |
| 1989 | Imperial |

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ITEM 10

ARRANGEMENTS FOR NEXT BOARD MEETING AND 1984 GENERAL MEETING

The next Board meeting is scheduled for October 29-30, 1984.
It will be hosted by R.J. Reynolds.

The 1984 General Meeting will be scheduled to take place
immediately following the end of the Board meeting.

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ITEM 11

ANY OTHER BUSINESS

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